

Rebels urge ministers to quit over national energy guarantee plan



Nationals MP Keith Pitt. Picture: Kym Smith.

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Federal government ministers are coming under pressure from colleagues to resign over the national energy guarantee in a counter-campaign by rebel backbenchers that risks further eroding Malcolm Turnbull's authority as his attempts to win the support of wavering Coalition MPs appeared to be failing.

As the Prime Minister held a second round of crisis talks late yesterday with four of the 10 MPs who have reserved their right to cross the floor, senior government sources told *The Australian* that Keith Pitt — Assistant Minister to Deputy Prime Minister Michael McCormack — was considering resigning from the frontbench over his opposition to the NEG.

Demands by the rebel MPs, including Barnaby Joyce, to include a price guarantee in addition to the NEG were all but killed off yesterday by Scott Morrison. The Treasurer said introducing a price target was inconsistent with "Liberal values" and warned colleagues against destabilising the government. "We want cheaper electricity prices and the NEG delivers cheaper electricity prices," he said. "In fact, it is the only policy out there — the only one — that is actually in a position to say it can deliver on that. So those who don't wish to support it, they are voting for instability and higher electricity prices."

Senior government sources last night effectively conceded that the Coalition would require Bill Shorten's support to get the NEG passed in both houses. The legislation is due to be introduced before a Tuesday decision by the Labor caucus on whether the opposition will support it.

An internal push to kill off the government's energy policy by exploiting concerns held by some members of the frontbench last night appeared to be gathering momentum, raising the risk of the Prime Minister's authority being weakened.

The Australian was told frontbenchers known to be opposed to the NEG but bound by the ministerial code to vote with the government were under pressure to step down and cross the floor in support of rebel MPs, including Tony Abbott, Andrew Hastie, Kevin Andrews, Eric Abetz and Barry O'Sullivan.

Coalition MPs told The Australian Mr Pitt was considering stepping down from his frontbench position so he could oppose the NEG. Mr Pitt did not respond to requests for comment and declined to deny suggestions from colleagues that he was considering his position.

The Queensland MP was one of the key Nationals pushing for an addition to the NEG to ensure greater investment in baseload power generation, including the creation of a \$5 billion fund to help build at least three new power stations under a "government-owned company model" to keep the costs off the budget books.

The proposed fund, which the government has not adopted, was supposed to have been canvassed between Mr McCormack and Mr Turnbull.

Some Nationals MPs say Mr McCormack did not make a strong enough case for the proposal.

Mr Pitt was one of Mr McCormack's key supporters during the political crisis triggered by Barnaby Joyce's affair with a former staffer. He was returned to the frontbench by Mr McCormack in March after being dumped as an assistant minister by Mr Joyce in December.

The Australian understands the MPs who met Mr Turnbull late yesterday were Mr Joyce, South Australian Liberal MP Tony Pasin, NSW Nationals MP Andrew Gee and LNP MP George Christensen. They had believed the meeting was a

follow-up to crisis talks held the previous day following the Coalition partyroom meeting to approve the NEG, but one member of the group said they left convinced there was no prospect of agreement.

One member of the group said they had been told in the meeting that the bill would be brought in this morning. The Prime Minister's Office denied this.

While price guarantees were cited as the main concern for several rebel MPs, others are opposed to the legislation itself as it was based entirely around enshrining in law the commitment to meet the Paris target of reducing emissions by 26 per cent on 2005 levels by 2030. Mr Joyce said he believed Australia should withdraw from the Paris Agreement but doubted Mr Turnbull would break the international accord. He denied claims the Paris Agreement had become a "proxy" for Mr Abbott's leadership ambitions, saying the issue of rising energy prices was "bigger than the aspirations of one person for leadership".

"We're not trying to promote or demote anyone's career here," he said. "We're trying to bring down energy prices — that's the central and core issue."

Open hostility has marked the internal debate, with Mr Turnbull and Mr Abbott reported to have clashed during a backbench committee meeting on Monday night. When Mr Abbott attempted to interrupt Mr Turnbull during a presentation, he drew a sharp response from the Prime Minister, who is understood to have said: "Could you please do me the courtesy of allowing me to finish my sentence." Colleagues of Mr Abbott said the former prime minister responded with a retort heard by up to 10 MPs: "I would have, if you had allowed me the courtesy of finishing my term."

Energy Minister Josh Frydenberg has told colleagues he accepts that the prospect of success on having the NEG bill passed is "tenuous". Senior government sources confirmed that they expected the Andrews government to stall on the NEG until after the state election in November.

Additional reporting: Joe Kelly